

**FINANCIAL MANAGEMENT FOR PUBLIC AND NONGOVERNMENTAL
ORGANIZATIONS
PADM 9010 SPRING 2012**

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Instructor Availability: I will be going into the classroom (Internet) each morning, Monday to Friday, to address issues students may be having. I will try to address questions as quickly as I can. For emergencies, students may use my personal e-mail to contact me, or even call me on any of the phone numbers listed.

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COURSE OBJECTIVE:

This course introduces students to the essential principles of financial management in the public sector and also in nongovernmental organizations (NGOs). Financial management is about taking care of the finances of an organization to achieve its financial objectives according to defined accounting principles. The key financial objectives for public organizations and NGOs are: to create wealth or increase the cash holding of the organization through budgetary allotments and monies collected from revenue-producing activities and private sources; provide a service; and effectively manage the organization's wealth or cash through acceptable accounting practices. The key parts of financial management are financial planning, financial control, and financial decision-making.

Raising money for public and NGOs is tough because the main financiers---taxpayers and voluntary contributors---demand accountability in the form of better services and better stewardship.

Financial management in the public sector and NGOs also is about politics. This class, therefore, introduces financial management in the public sector and NGOs as an activity fraught with external constraints of which students of public administration, as future managers, should be aware. Even though elected officials bear eventual responsibility for deciding how public finances are managed, it is public managers who advise these officials to make decisions. Public managers, by training, are experts in the theory of financial management and have intimate knowledge of how agencies work.

The textbook, **Fiscal Administration:** by Mikesell, presents financial management in the public sector by examining and comparing federal, state and local budgets, noting the values that unify these budgets and what differences exist among them. Financial management at each level of government occurs under institutional constraints, prior agreements, accountability, and political jockeying.

The textbook presents financial management as a field of study through several topics which include, the fundamental principles of public finance, budget methods and practices, capital budgeting, taxation, budget classification, major tax structures, and the role the major budget actors play in budgeting. The textbook's treatment of governmental accounting though not deep, is done well. The textbook has no chapter on NGOs, and rather than buy a separate textbook, the instructor will give notes on the essential characteristics of financial management in NGOs in the final weeks of the semester.

Learning outcomes: Upon successful completion of the course students will:

Discuss the unique aspects of financial management within the context of the public sector and NGOs.

Gain a comprehensive understanding of the basic technical skills needed to succeed in public or not-for-profit financial management.

Develop a broad outlook and an understanding of ethical factors required of program managers and administrators in public or not-for-profit agencies operating in a multicultural context.

Show sensitivity to the challenges of financial managers in implementing performance systems in the public sector and NGOs.

Gain familiarity with up-to-date information management systems.

Understand current financial management issues and strategies with respect to revenues and spending

Outcome assessments:

The comprehensive understanding of basic technical skills essential for successful public or not-for-profit financial management will be demonstrated by successful completion of course work and PADM 9010.

Students will demonstrate an understanding of ethical financial management in a multicultural context through course papers and journal articles.

Students will demonstrate effective communication skills through written and oral presentations in program course work.

Locate and use information gathered through library and electronic research.

Communicate ideas effectively in class discussion, written assignments, and formal presentations

NONDISCRIMINATION: VSU does not discriminate because of gender, race, religion, or a person's physical and mental condition. This class will continue by this policy and the instructor will do whatever is necessary to help students who have special needs.

TEXTBOOK:

John L. Mikesell, 2009. *Fiscal Administration: Analysis and Applications for the Public Sector*, Latest edition. (Thomson/Wadsworth).

Course requirements:	Percentage of final grade
Short essays (threaded discussion)	20 (200 points total)
Summaries	20 (200 points total)
Research essay	30
Final test	30

Short essays

The work assigned here is intended to ensure that students read the textbook and keep up with current issues of budgetary or other political significance. Most of the assignments will come from essays posted on the Internet. The primary purpose is to help students articulate their thoughts on these pertinent issues of our time, as they expose these thoughts to other students to evaluate. Grades will be assigned to each student primarily on his/her initial response to the essay, not on the response given to the opinion others have expressed. **TEN ESSAYS WILL BE ASSIGNED.**

Note: threaded discussions are still encouraged.

SUMMARIES: May be accessed thorough JSTOR. Students will write summaries from articles published in referred journals. Students will translate the ideas that the author or authors wished to convey without embellishing them with their own opinions. Don't bother to shorten the summary if it exceeds two pages. **TEN SUMMARIES WILL BE ASSIGNED.**

Reading articles to write the summaries is intended to serve these purposes. Help

*pay close attention to the nuances that defined how those articles were written.

*look at the manner in which authors used references

*look at the clever usage of multiple references by authors (Jones, 1972; Abraham, 1967).

*see how articles avoid repeated citation of a single source, even if it is a good source.

Repeat citation of same author could be a clever form of plagiarism.

ESSAY: Will be due near the end of the semester at a date to be determined.

TOPIC: "What must the federal government do to reduce its massive budget deficit?"

Paper Requirements:

The paper must not be less than twelve pages, minus graphs and other illustrations.

Students will not be penalized for exceeding the page limit.

Look at the growth of federal government spending from a historical standpoint and the specific measures both Congress and the President have taken to reduce deficits.

Students must support the arguments they make in the paper with 'authenticated' sources. Authenticated means from referred journals. For this class and the other classes that you will take or have already taken, JSTOR and other generally acceptable sources must be the major sources of reference.

A standard textbook like Mikesell's may not be used as reference.

JSTOR is in Galileo, and requires a Username and Password.

It may be easier if you print 3, 4 or 5 pages of the articles that you select from Jstor. To be able to print from Jstor, click on the PDF version of the article shown beside the article. Sometimes all that you may need from an article is the abstract.

As a rule of thumb, a good paper must have a minimum of 25 to 30 references, more is usually better. (You will not be penalized if you do not meet this standard).
References from JSTOR must not have <http://www> etc.

Writing a good paper takes time. It means preparing for the paper must start early.
PLAGIARISM: Plagiarism is discouraged and punishable. Students who use the ideas or writings of an author or authors as their own will face a severe sanction including, but not limited to receiving a lesser grade. Students must always endeavor to make the proper attribution for other people's ideas and thoughts they use.

FINAL TEST: will be based on the material discussed in class. It may consist of multiple-choice, fill-in-the-blanks and an essay.

WEEKLY CLASS SCHEDULE

WEEK 1 January 9-13

Fundamental principles of public finance
Chap 1

WEEK 2 January 17-20 (16th MLK Holiday)

Budgeting, budget structures, and budget reform
Chap 2

WEEK 3 January 23-27

Budget Structures and institutions
Chap 3

WEEK 4 January 30-February 3

Budget methods and practices
Chap 4

WEEK 5 February 6-10

Budget classifications, systems, and reform
Chap 5

WEEK 6 February 13-17

Capital budgeting
Chapter 6

WEEK 7 February 20-24

Taxation: criteria for evaluating revenue options
Chapter 7

WEEK 8 February 27-March 3

Major tax structures: Income tax
Chapter 8
Major tax structures: taxes on goods and services
Chapter 9

WEEK 9 March 6-10

Major tax structures: property taxes
Chapter 10

WEEK 10 March 13-16

SPRING BREAK

WEEK 11 March 19-23

Revenues from user fees, user charges, and sales from public monopolies
Chapter 11

WEEK 12 March 26-March 30

Revenue forecasts, revenue estimates
Chapter 12

WEEK 13 April 2-6

Revenue forecasts
Intergovernmental fiscal relation

WEEK 14 April 9-13

Administering debt
Managing funds

WEEK 15 April 16-20

NGOs

WEEK 16 April 23-27

NGOs

FINAL

CLASS NOTES:

I will be posting weekly notes for each chapter. The notes are summaries of the chapters. They are meant to help but must not substitute reading the textbook.